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SUBJECT: ITALIAN CHIEF OF DEFENSE ON MILITARY TRANSFORMATION

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- (U) Summary. CHOD Moscha Moschini told an audience of high-level military officials that Italy's armed forces must focus on neutralizing the threat from non-state actors and contribute to international peace and security. Procurement policy should be calibrated to equip them to meet these objectives. NATO is the touchstone of Italy's military transformation. The NATO Response Force and Transformational Command will guide Italy's efforts to enhance its military capabilities, according to Mosca Moschini. At the same time, he believes the new European Armaments Agency (EAA) can help the EU build up its military capabilities and contribute to strengthening NATO's European pillar. Italy is making good progress toward military transformation but defense spending contraints will continue to impede more rapid progress through 2004. End Summary.
- 12. (U) Chief of the Italian General Staff (CHOD) Rolando Mosca Moschini recently outlined his views on defense modernization and transformation in remarks delivered at Italy's Defense Academy. Mosca Moschini, who laced his comments with repeated references to the unfavorable budgetary situation faced by the armed forces, began by describing what in his view are the three key elements of a modern military force: jointness, the ability to operate in a multinational context, and interdisciplinary expertise in working with civilian personnel and para-military security forces.

Italy's National Military Priorities

- (U) Mosca Moschini said Italy's operational capabilities should be focused on addressing two interrelated security objectives. On a tactical level, Italy's armed forces must be able to neutralize the security threat from adversaries, which under current conditions are predominately non-state actors. From a long-term strategic perspective, Italy should be in a position to enhance international security, taking into account threats from WMD proliferation, transnational criminal organizations, and international terrorist groups.

 Mosca Moschini argued that only by implementing a procurement policy in keeping with these two interlocking challenges could Italy accrue the right mix of capabilities to meet current and future threats. Following this approach will help ensure that the procurement system engenders the most bang for the buck, he suggested.
- 14. (U) Mosca Moschini said his aim is to pursue the maximum level of military harmonization with Italy's allies, and organize the armed forces around a standardized model that will allow Italy to conduct as a lead nation a limited-scale crisis response operation. Given Italy's financial limitations, military procurement must be focused on fulfilling the country's current operational requirements. These include: development of strategic reconnaissance dual-use satellites, interoperable C4I capabilities, air-to-air missiles, and theater missile defense systems. Italy is focused on acquiring land- and sea-based air defense missiles, the Horizon Frigate for air defense, a new aircraft carrier, the Eurofighter, and, potentially, JSF. It also is intent on strengthening air lift and refueling capabilities, increasing tactical mobility and combat support, and substituting the existing naval escort squadron with a new multi-role frigate. Mosca Moschini claimed that notwithstanding Italy's efforts to modernize its armed forces, the unfavorable budgetary situation has forced a cut back in several noteworthy programs.

NATO is the Touchstone of Transformation

15. (U) Italy's CHOD praised the Prague Capabilities Commitment initiative, claiming Italy's defense programs were in line with the PCC, and lauded the utility of NATO's High Readiness Forces (Comment: Mosca Moschini's appreciation for the HRF concept is not surprising given that Italy has a Land Component Command headquarters at Solbiate Olona near Milano and in July 2005 will stand up a Maritime Force Command

headquarters. End Comment). He suggested that agreement to stand up a NATO Response Force (NRF) was arguably an even

more important development. Indeed, the NRF, NATO'S Transformational Commmand, and a transatlantic defense industrial sector able to meet the operational needs of a transformed Alliance are the key elements contributing to its evolution, Moscha Moschini argued. Italy's key reference point for procurement policy is the NRF. At the same time, Italy's pursuit of long-term structural capacities should mesh with reforms championed by the Transformational Command.

ESDP a Spur to Improved Capabilities

- 16. (U) Turning to EU defense matters, Mosca Moschini suggested that, as the Berlin-plus mechanism is refined, the Headline Goal will move closer to realization, although the EU in his estimation is still far from being able to produce an adequate and autonomous capacity for military intervention. He stressed that the EU Rapid Reaction Force (RRF) should not differentiate itself from the NRF. If the NRF is the best model, Mosca Moschini reasoned, the RRF should try to emulate it. He thought it would be relatively easy to achieve EU-NATO cooperation within the Transformational Command.
- 17. (U) Harking back to the European Capability Action Plan (ECAP) created at Helsinki to help EU member states advance their operational capabilities, Mosca Moschini drew a parallel between the ECAP and the new European Armaments Agency (EAA). He said that EU leaders had agreed the Agency would operate on the basis of political guidance received from member state defense ministers. Its purpose will be to accelerate the development of the EU's military capabilities by promoting multilateral collaboration on strengthening Europe's technological and industrial base, and helping to create a European armaments market that is competitive globally. It will also have a role in coordinating and promoting applied research to boost the European defense sector. Mosca Moschini surmised that processes set in motion by the creation of the EAA could eventually lead to an historical advance for Europe.
- 18. (U) According to Mosca Moschini, the key to building up a European defense identity will not be found in agreeing on convergence criteria, which are important but not fundamental in his estimation. The problem of developing greater cost efficient capacity and setting acquisition priorities has to be achieved via the synergistic relationship among the NRF, NATO's Transformational Command, and a European industrial pole operating in favor of the Alliance. Therefore, Mosca Moschini concluded, three core elements are necessary for building up the European pillar of NATO: the right convergence criteria, a robust instrument for the definition and prioritizing of procurement needs, and the political will to spend more on defense. He hoped that the EU could be a driver contributing to the realization of each.
- 19. (SBU) Comment. Moscha Moschini's remarks reflect his commitment, and that of DefMin Martino (septel), to building a multi-role, rapidly deployable, and interoperable military force. Our upcoming burdensharing sharing report (septel) will demonstrate that Italy is making good progress toward this goal. Nevertheless, the CHOD's lament about resource shortfalls is true--spending on hard defense assets will again hover just above one percent next year (septel)--and is impacting the pace of military transformation. When Mosca Moschini takes over the EU's Military Committee in April 2004, his transatlantic orientation should make him a strong advocate for the Berlin-Plus method while Italy's persistent budgetary constraints will help ensure he remains a critic of duplication in the defense arena. End Comment.

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